

CORPORATE GOVERNANCE STATEMENT

The Australian Wealth Advisors Group Limited ABN 31 653 634 292 (the **Company**) is committed to implementing effective corporate governance standards. Having regard to the size and nature of AWAG and its operations, the Company has adopted some of the Corporate Governance Principles and Recommendations (4th edition) issued by the ASX Corporate Governance Council. Where the Company has not adopted recommendations of the ASX Corporate Governance Council (the **Council**) during the reporting period of the financial year ended 30 June 2024, we have identified this below.

The Board of Directors of the Company is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. For further information on corporate governance policies adopted by the Company, refer to the corporate governance section of our website: <https://www.awag.au/governance>

Date of last review and Board approval: 27 August 2024.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: Lay solid foundations for management and oversight			
<u>Recommendation 1.1</u> A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter, Website	The Company Board Charter (Board Charter) is disclosed on the Company's Website and sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company. It sets out the functions and responsibilities of the Board. The Board may delegate consideration of matters to a committee of the Board specifically constituted for the relevant purpose. The Board Charter sets out the responsibilities of the Board and relationship to management and the Company Secretary.
<u>Recommendation 1.2</u> A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re- elect a director.	Yes		The Board ensures that, prior to the appointment of a Director or the Managing Director & Chief Executive Officer (MD/CEO), such candidates for those positions shall, amongst other things, be subject to background searches to confirm that the person has the skills and experience to be an effective member of the Board and that they are a suitable person to hold a position of authority at the Company. In addition, the Company conducts those checks prior to the appointment of senior executives. A report outlining the results of these searches will be provided to the Board as part of the decision-making process. The Company will ensure that Shareholders are provided with all material information relevant to a decision on whether or not to

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			elect or re-elect a director in the relevant notice of meeting relating to the election or re-appointment of a particular Director.
<u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Written agreements kept at registered office.	The Company confirms that written agreements are in place with each Director and senior executive setting out the terms of their appointment.
<u>Recommendation 1.4</u> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Board Charter, Website	The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter. The Company Secretary is accountable directly to the Board via the Chair.

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<p>Recommendation 1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	No		<p>The Board is in the process of reviewing various policies and will update during the next Financial Year. The Board intends to comply with the Corporate Governance principles and recommendations as is appropriate for a growth stage company.</p>

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<p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>			
<p>Recommendation 1.6: A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	No		<p>The Board did not undertake a formal performance evaluation process during the financial year ended 30 June 2024 given the size and nature of the business of the Company. A formal review process is planned for FY25.</p>
<p>Recommendation 1.7: A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	No		<p>The Board did not undertake a formal performance evaluation process during the financial year ended 30 June 2024 given the size and nature of the business of the Company. A formal review process is planned for FY25.</p>
<p>Principle 2: Structure the board to be effective and add value</p>			
<p>Recommendation 2.1 The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, 	No		<p>The Board has formed the view that a nominations committee is not appropriate at this stage. Board succession and Board balance is the responsibility of the Board.</p> <p>Subsequently a review will take place in the new financial year to address this.</p>

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<p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>			
<p><u>Recommendation 2.2</u> A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	Partially yes		<p>The Company's objective is to have an appropriate mix of expertise and experience on the Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current Directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives.</p>
<p><u>Recommendation 2.3</u> A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p>	Yes		<p>Listed in Annual Report 2024 at page no 3.</p> <p>3 out of 5 directors are considered to be independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.</p> <p>The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations and the Company's materiality thresholds.</p>

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<p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>			
<p><u>Recommendation 2.4</u> A majority of the board of a listed entity should be independent directors.</p>	Yes		A majority of the board is considered to be independent directors.
<p><u>Recommendation 2.5</u> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes partially		The Board has formed the view that the continuing appointment of Lee laFrate, as Executive Chairman of the Company, is appropriate for the Company at its current stage.
<p><u>Recommendation 2.6</u> A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	Yes		The Company provides relevant induction processes for new directors given the nature and size of the Company. The Board is open to recommendations for professional development and training as required to perform their roles effectively.
<p>Principle 3: Instill a culture of acting lawfully, ethically and responsibly</p>			
<p><u>Recommendation 3.1</u> A listed entity should articulate and disclose its values.</p>	No		The Board is considering the Value Statement and being worked on and will be discussed at the AGM.
<p><u>Recommendation 3.2</u> A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p>	No		The Board is in the process of reviewing various policies and will update during the next Financial Year. The Board intends to comply with the Corporate Governance principles and recommendations as is appropriate for a growth stage company.

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(b) ensure that the board or a committee of the board is informed of any material breaches of that code.			
<u>Recommendation 3.3</u> A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	No		The Board is in the process of reviewing various policies and will update during the next Financial Year. The Board intends to comply with the Corporate Governance principles and recommendations as is appropriate for a growth stage company.
<u>Recommendation 3.4</u> A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	No		The Board is in the process of reviewing various policies and will update during the next Financial Year. The Board intends to comply with the Corporate Governance principles and recommendations as is appropriate for a growth stage company.
Principle 4: Safeguard the integrity of corporate reports			
<u>Recommendation 4.1</u> The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met	Yes	Audit and Risk Committee Charter, Website	<p>The members of the Audit and Risk Committee are Paul Young (Chair of the Committee), Mike Fitzpatrick and Mark Stephen</p> <p>All directors have relevant experience as shown in their biographies in the Directors' Report and details of meetings held by the Committee during the year and member attendances are set out in the 2024 Annual Report.</p> <p>To assist the Audit and Risk Committee to fulfil its function, the Company has adopted an Audit and Risk Committee Charter which describes the role, composition, functions and responsibilities of the Audit and Risk Committee. All of the members of the Audit and Risk Committee consider themselves to be financially literate and possess relevant industry experience.</p> <p>The number of meetings held and the individual attendances of Committee members at those meetings are disclosed in the 2024 Annual Report.</p>

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<p>throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>			
<p><u>Recommendation 4.2</u> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	No		The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p><u>Recommendation 4.3</u> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	-	Any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. In the case of the half year and annual reporting, and other documents concerned with financial matters, this is reviewed by the Audit and Risk Committee prior to being approved by the Board.

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Principle 5: Make timely and balanced disclosure			
<u>Recommendation 5.1</u> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the listing rule 3.1.	Yes	Continuous Disclosure Policy, Website	The Company has established a Continuous Disclosure Policy to ensure compliance with its continuous disclosure obligations under listing rule 3.1.
<u>Recommendation 5.2</u> A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Continuous Disclosure Policy, Website	The Continuous Disclosure Policy requires that the board receives copies of all material market announcements promptly after they have been made. All directors automatically receive notifications from the ASX platform when announcements are lodged.
<u>Recommendation 5.3</u> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation material on the ASX Market Announcements Platform ahead of the presentation.	Yes	Continuous Disclosure Policy, Website	The Continuous Disclosure Policy requires that, if the Company gives a new and substantive investor or analyst presentation, a copy of the presentation material must be released on the ASX Market Announcements Platform ahead of the presentation.
Principle 6: Respect the rights of security holders			
<u>Recommendation 6.1</u> A listed entity should provide information about itself and its governance to investors via its website.	Yes		The Company's website includes the following: <ul style="list-style-type: none"> • corporate governance policies, charters, procedures; • names and biographical details of each of its directors and senior executives; • constitution; • copies of annual and half yearly reports; • ASX announcements; • copies of notices of meetings of security holders • media releases; • overview of the Company's current business and history; • historical market price information of the securities on issue; and • contact details for the share registry and media enquiries.
<u>Recommendation 6.2</u> A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	No		The Board is in the process of reviewing various policies and will update during the next Financial Year. The Board intends to comply with the Corporate Governance principles and recommendations as is appropriate for a growth stage company.

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<p><u>Recommendation 6.3</u> A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	No		The Board is in the process of reviewing various policies and will update during the next Financial Year. The Board intends to comply with the Corporate Governance principles and recommendations as is appropriate for a growth stage company
<p><u>Recommendation 6.4</u> A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll than by a show of hands.</p>	Yes		It is the Company's policy to conduct a poll at all General Meetings of shareholders.
<p><u>Recommendation 6.5</u> A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.</p>	Yes		Shareholders are regularly given the opportunity to receive communications electronically.
<p>Principle 7: Recognise and manage risk</p>			
<p><u>Recommendation 7.1</u> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for</p>	Yes		<p>The Audit and Risk Committee met formally two times during the reporting period.</p> <p>The composition of the Audit and Risk Committee is set out above under Recommendation 4.1.</p>

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overseeing the entity's risk management framework.			
<p><u>Recommendation 7.2</u> The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes		The Board is responsible for setting the Company's risk appetite. It is also responsible for satisfying itself, at least annually, that management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the ARC and reviewed by the Board.
<p><u>Recommendation 7.3</u> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	No		The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p><u>Recommendation 7.4</u> A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	Corporate Governance Statement	The Company has considered its environmental and social risks by way of internal review and has concluded that it is not subject to material environmental or social risks
Principle 8: Remunerate fairly and responsibly			
<p><u>Recommendation 8.1</u> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p>	No	People, Remuneration and Nominations Committee Charter, Website	The Board has determined that a remuneration committee is not appropriate at this stage given the size and nature of the business of the Company. Until such time that a remuneration committee is established, the Board will ensure that it performs the functions recommended in the ASX Corporate Governance Principles to be performed by a remunerations committee (to the extent that these functions are relevant to the Company's business).

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<p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>			
<p>Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	Annual Report, Website	<p>Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms of part of the Annual Report.</p> <p>The remuneration of non-executive directors is set by reference to payments made by other companies of similar size and industry, and by reference to the director's skills and experience.</p>
<p>Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	No		This recommendation is not applicable to the Company.